CO-OPERATION IN INDIA

ISSUED ON BEHALF OF MINISTRY OF COMMUNITY DEVELOPMENT AND CO-OPERATION, GOVERNMENT OF INDIA

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IF there is one subject more than another, which requires enthusiastic approach, full of faith and a crusading zeal it is that of Co-operation.

The old acquisitive economy is not the ideal we aim at. We have stated clearly that we want to build a socialist pattern of society. That pattern is intimately related to Co-operation in various fields. Indeed the principle of co-operation should govern human as well as national relations.

JAWAHARLAL NEHRU

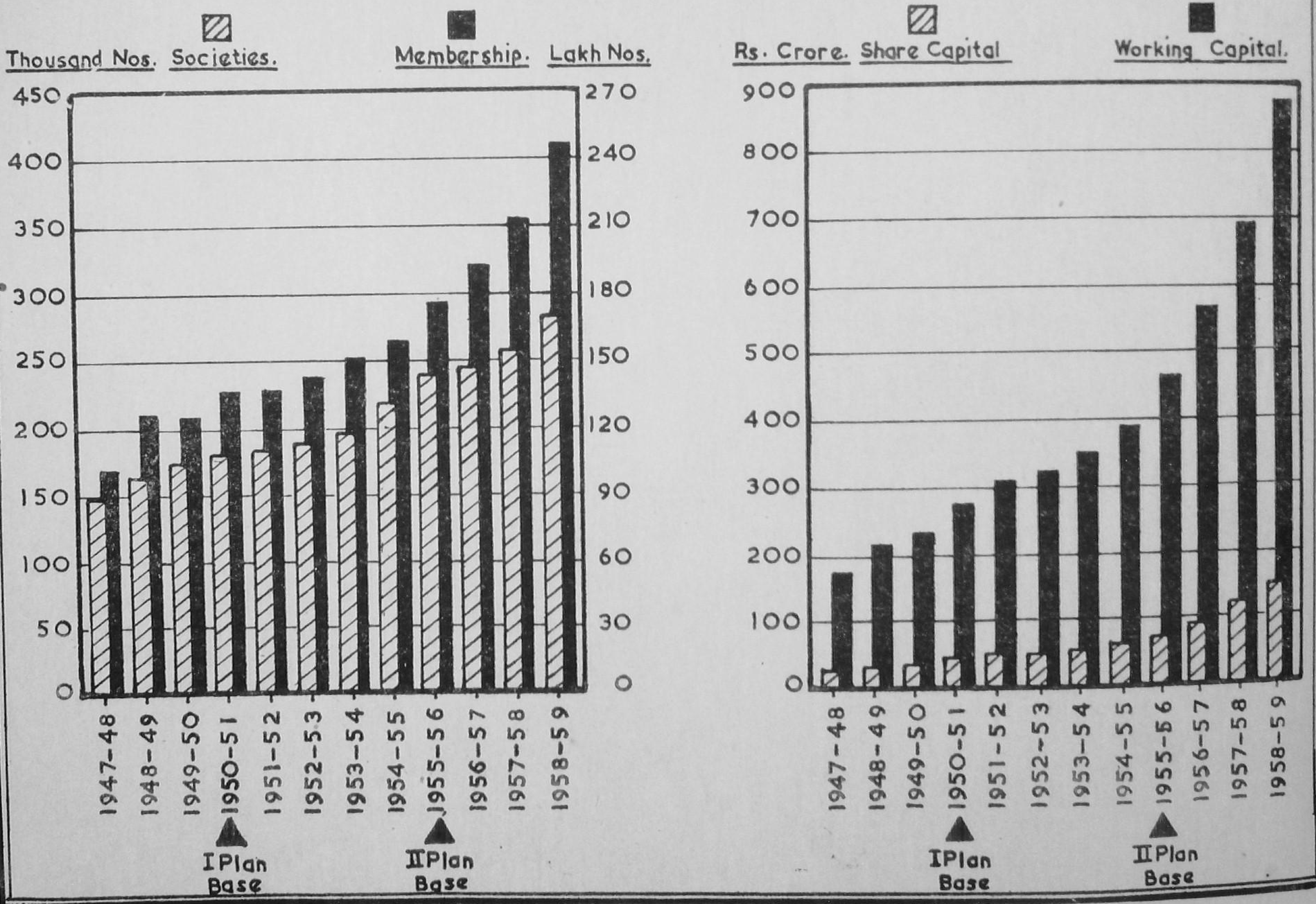
THE CO-OPERATIVE WAY OF LIFE

The co-operative movement in India started about 60 years ago. In the late nineties, there were a few unregistered societies but in 1904, with the passing of the Co-operative Credit Societies Act, co-operation received legislative recognition. This Act, which provided for registration of primary credit societies, was based on the English Friendly Societies Act.

The main aim of these societies was to save the farmer from the clutches of the money-lender. A few years later, in 1912, another Act was passed, providing for the formation of other types of co-operatives. In 1919, co-operation ceased to be a Central subject and various provinces enacted legislation to suit local conditions. Under the present Constitution of India, co-operation continues to be a State subject.

Till 1947 the co-operative movement had not gathered any momentum with the result that progress was slow. After Independence (15th August 1947), the need for a reorientation became imminent. When India embarked on the First Five Year Plan in April 1951, special efforts were made to promote co-operation. This was accelerated in the Second Five Year Plan with the result that the movement began to gather strength and make faster progress. In June 1959, there were 284,000 co-operative societies with a working capital of Rs. 8,800 million. These societies cater for the needs of nearly one-third of the population in India.

ALL TYPES OF SOCIETIES



AGRICULTURAL CO-OPERATIVES

Co-operative societies have largely been dealing with provision of credit till now. There are over 180,000 primary agricultural societies. These societies cover 60 per cent of the villages and 20 per cent of the rural population. The societies are federated into 402 Central Co-operative Banks which, in turn, are affiliated to apex co-operative banks at the State level. There are other important credit co-operative institutions like land mortgage banks, grain banks and urban co-operative banks.

The agricultural credit system has expanded considerably during the last decade. The total amount of short and medium-term credit rose from Rs. 230 million in 1950-51 to Rs. 1,900 million (estimate) in 1960-61, i.e. more than eight times. There was a similar increase in the long-term loans advanced by land mortgage banks from Rs. 38.1 million in 1951-52 to Rs. 220 million at the end of 1959. These figures are encouraging, but much more remains to be done.

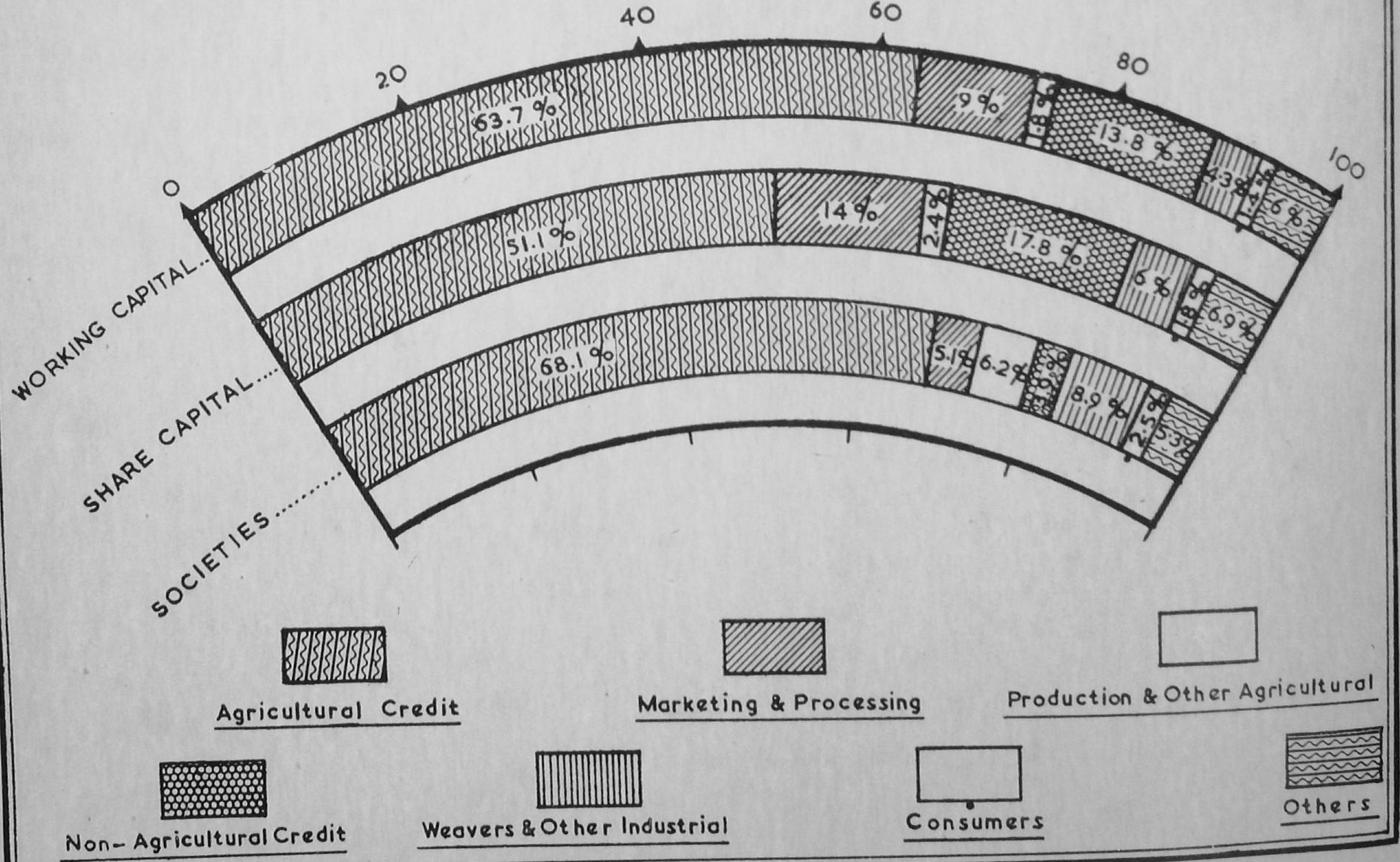
New dimensions are now visualized for the co-operative sector. Service co-operatives in the villages, acting as "mother economic institutions", will play a vital role in our rural economy. These service co-operatives will provide credit and supply commodities like seeds, fertilisers, iron and steel, cement, kerosene, sugar, etc. They will also provide services of skilled personnel and machinery for scientific farming. These co-operatives are federating progressively into higher tiers at District, State and National levels.

The need to organize agriculture on sound business lines has been recognized for a long time. In a country where holdings are small and uneconomic, there are difficulties. Co-operative farming offers a solution of some of these problems. There are 1,800 co-operative societies, where land is jointly cultivated and managed and they have been making progress. An elaborate

DISTRIBUTION OF CO-OPERATIVES BY SECTORS

(Percentage to Total)

1958-59



scheme has been drawn up for an expansion of the programme of joint co-operative farming during the Third Plan. The scheme is being put into operation as a high priority.

CO-OPERATIVE MARKETING

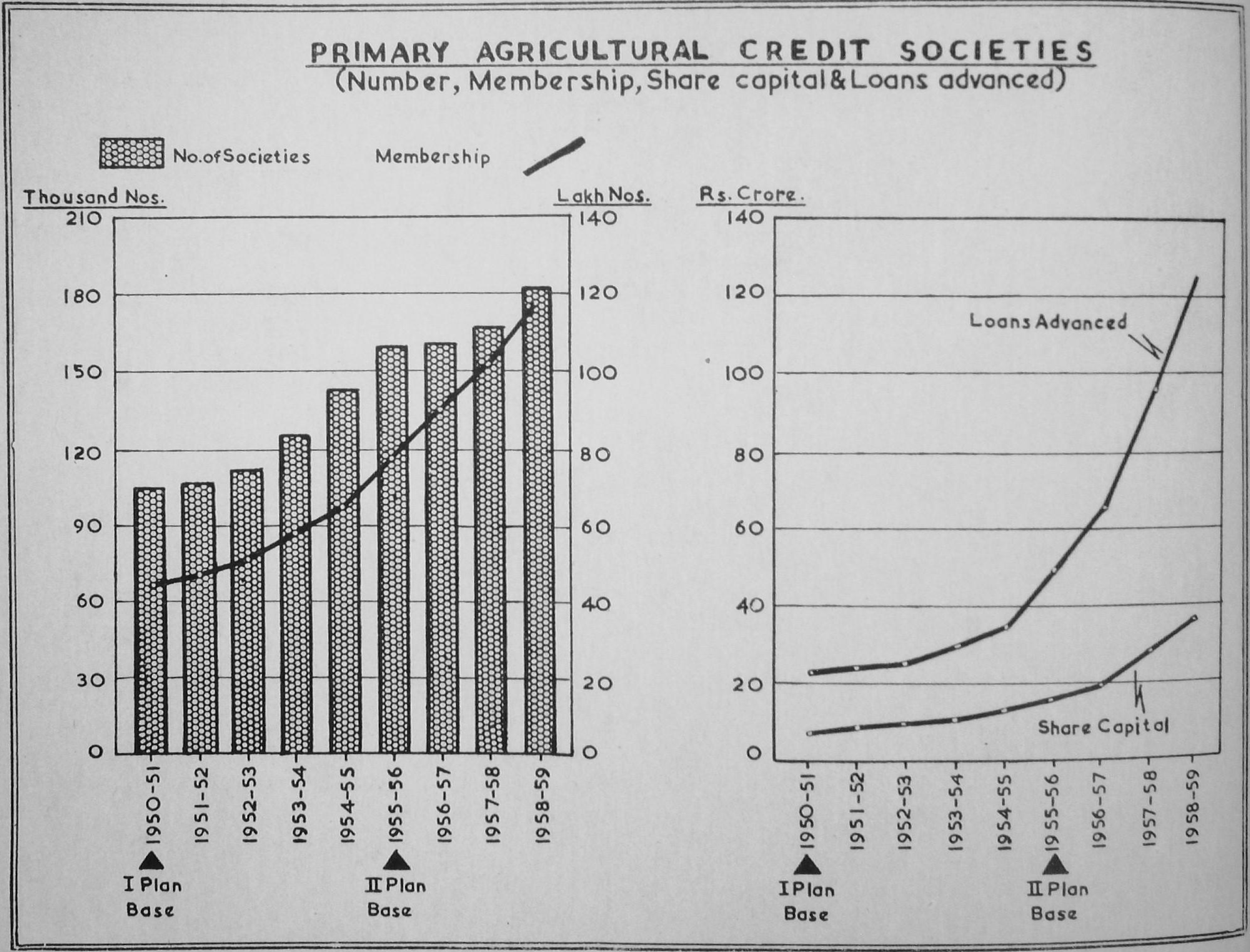
Increased production alone will not, however, lead to a rise in the per capita income of the agriculturist. Farmers can reap the full benefits of their bumper harvests if the agent who takes away the lion's share of profit is eliminated. Therefore, co-operative marketing and processing of agricultural products must be developed. The target of 1,900 new primary marketing societies, which was provided for in the Second Plan, has nearly been reached. These societies have joined together to constitute marketing federations in the States. With the special attention paid to the co-operative processing of agricultural products, considerable progress has been made in sugarcane and cotton. Fifty per cent of the 52 co-operative sugarcane factories, which were licensed, have started production and, by March 1961, nearly 20 per cent of the total sugar in the country will be produced in the co-operative sector.

INDUSTRIAL CO-OPERATIVES

Co-operatives have also grown in many industries and there are 25,000 such co-operatives in the country. The most significant of these are handloom weaving societies which number 10,000. These societies have their own apex institutions which handle services ranging from the supply of yarn to the sale of finished products. They have also combined to set up co-operative spinning mills which produce yarn for the use of their members.

OTHER TYPES

There are other kinds of co-operatives which deal with activities like housing, printing and publishing, dairy keeping, fisheries, transport and labour contract. The total number of



PRIMARY AGRICULTURAL CREDIT SOCIETIES
(Number, Membership, Share capital & Loans advanced)
No. of Societies
Membership
Thousand Nos.
Lakh Nos.
Rs. Crore.
210
180
150
120
90
60
30
0
140
120
100
80
60
40
20
0
1950-51
1951-52
1952-53
1953-54
1954-55
1955-56
1956-57
1957-58
1958-59
I Plan Base
II Plan Base
Loans Advanced
Share Capital

such societies, at the end of 1959, was 20,000 of which 4,700 were housing societies, 7,000 consumers' stores and a little over 1,000 labour contract societies.

SPECIAL CO-OPERATIVES

It is expected that in the years to come special co-operatives of various types, with their respective tiers of apex institutions, will be set up as an integral part of the new order envisaged for the village community. The marginal land-holders and the landless in India's lakhs of villages can acquire strength only if they combine under a structural association. It is then that they can be helped to grow into an agro-industrial community based on efficient and intensive agriculture, village and cottage industries.

THE FUTURE

In the Third Plan period (1961-66), co-operation has been assigned a vital role. The Plan envisages a socialist pattern of society where there will be equality of opportunity for all citizens.

Socialism does not mean that all initiative must come from the State. An important role is assigned to private enterprise. And private enterprise does not mean the large organized units with which we are traditionally associated but also the millions of farmers, artisans, traders and small industrialists who constitute the bulk of the private sector. Socialism attaches special importance to the needs of these small producers and envisages a rapidly growing co-operative sector. This sector is expected to be strong because it will combine the advantages of individual initiative and small-scale pattern with those of big business. The co-operative sector will be a vital factor for social stability and economic growth. It will be an effective balancing force between the private and the public sectors.

The Government of India is determined to develop co-operation as a sound people's movement. A new Ministry has been vested with the responsibility of strengthening the co-

operative structure and giving it a reorientation. The endeavour is to bring the 5½ lakh villages within the fold of primary village societies and to bring every agricultural family within the movement. The target for the Third Five Year Plan is that three-quarters of the agricultural population should be members of service co-operatives. Co-operative farming will spread as a spontaneous movement. For this purpose, 3,200 pilot co-operative projects will be set up. These societies will be constituted on a voluntary basis. Similarly, there will be a substantial expansion in other sectors of co-operation.

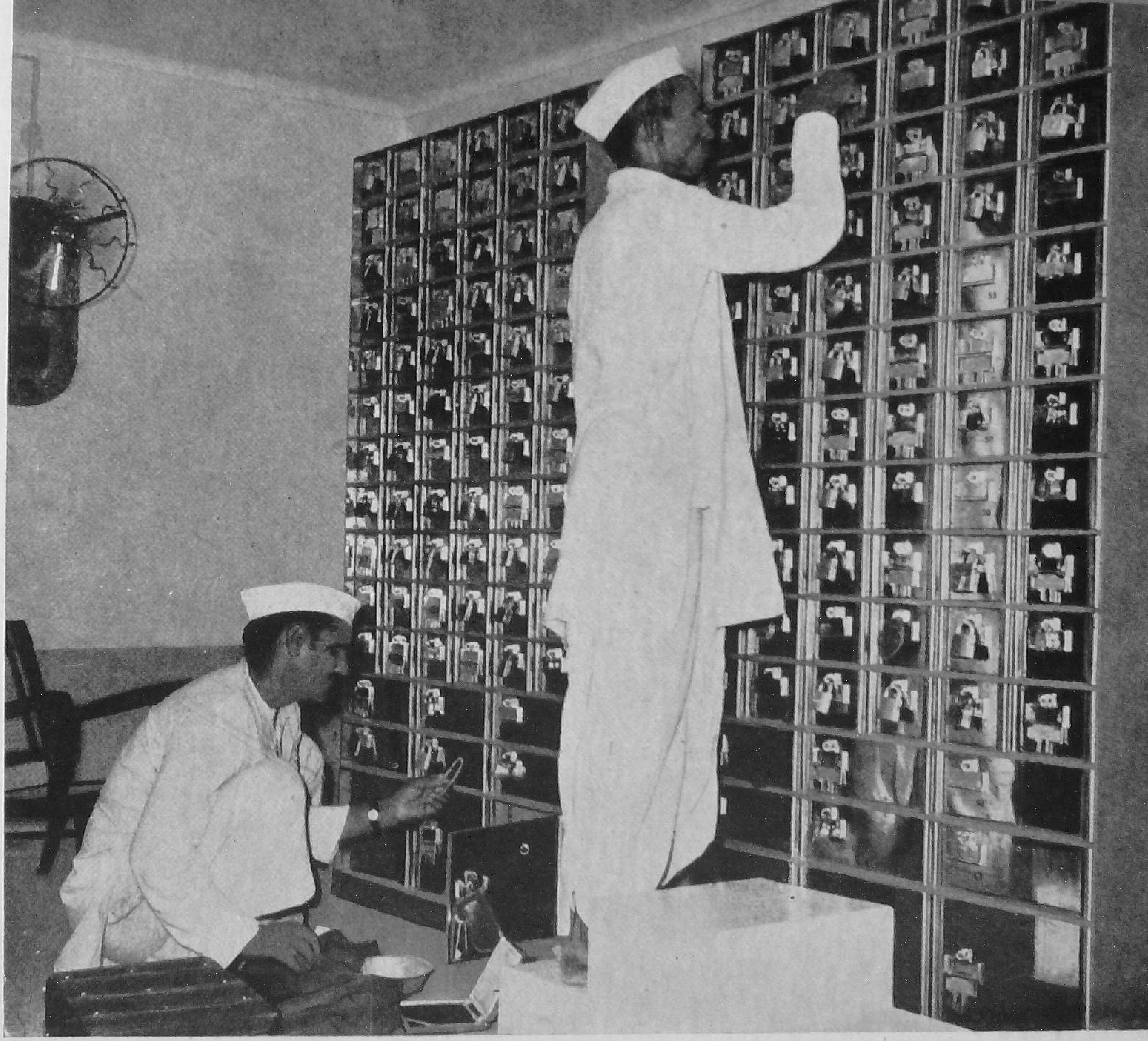
A determined drive will be made to build up the higher tiers of the co-operative organization so as to provide sustained leadership and thus help co-operation to grow as a self-reliant movement of the people for the rapid growth of the economy.

CREDIT

SOCIETIES

A view of the Madras State Co-operative Bank building, one of the 22 Apex Banks in the country. Apex Banks function at the State level providing credit to their constituent co-operative banks and co-operative societies. Their total share capital is over Rs. 105 million and advances in 1958-59 totalled Rs. 1,012 million.

Central Co-operative Banks are set up at the district level. Affiliated to them are the primary agricultural credit societies, service co-operatives or multipurpose co-operatives. The Central Banks finance these societies and serve as balancing centres. In 1959, there were 402 Central Co-operative Banks functioning in the country with a working capital of Rs. 1,210 million, and advances to their constituents of Rs. 1,937 million. Seen *here* is the Karnatak Central Co-operative Bank at Dharwar in Mysore State. Started in 1916, the bank has grown into a large financing institution with 10 branches and 24 pay offices spread over the district.



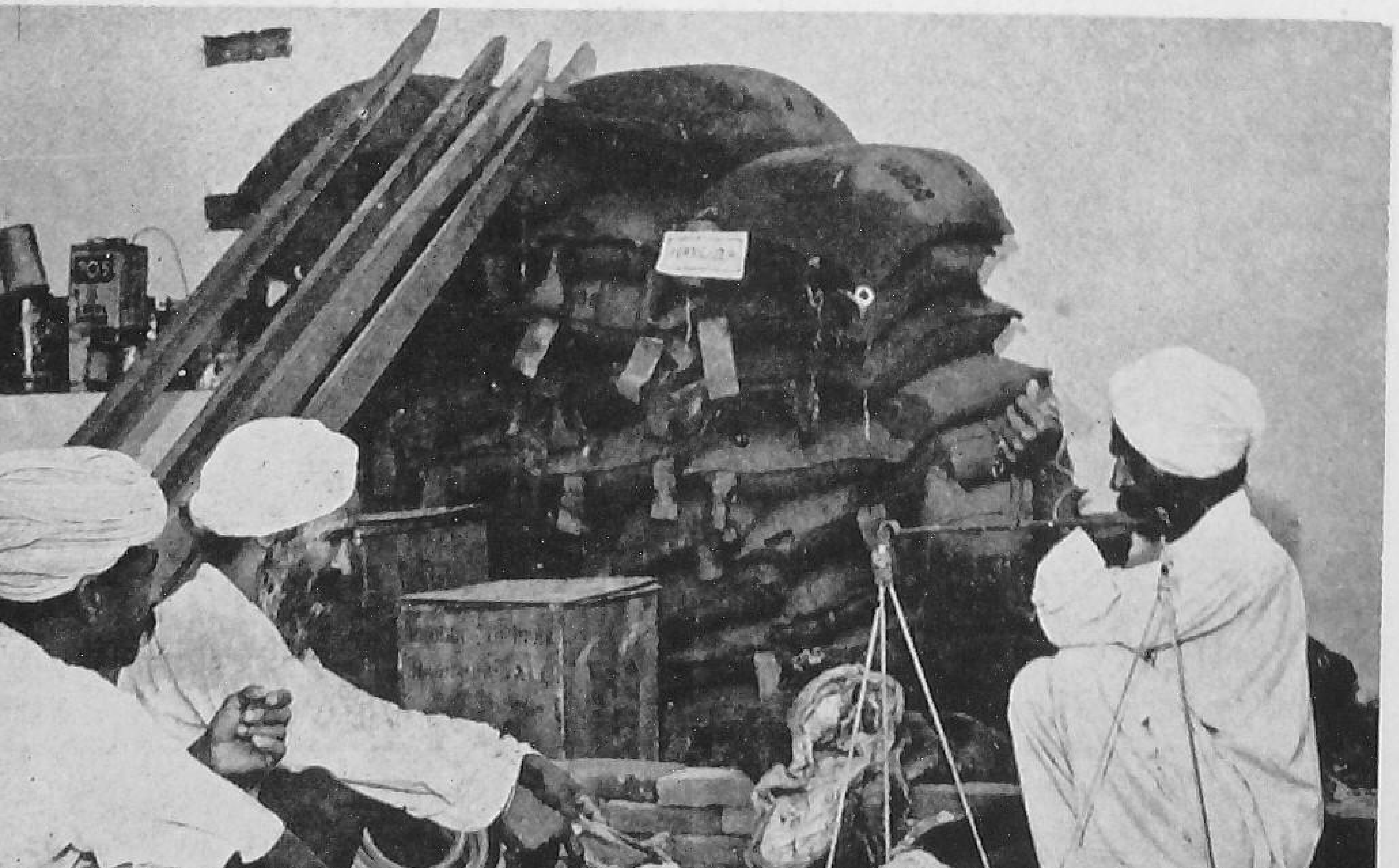
A number of district banks provide banking facilities in addition to giving credits. The picture shows the safe deposit lockers of the Meerut District Co-operative Bank Ltd., in Uttar Pradesh.

At the village level are about 180,000 primary agricultural credit societies which are increasingly assuming the functions of multipurpose service co-operatives. These service co-operatives act as purchase, sale and distribution agencies for all essential requisites of their members.

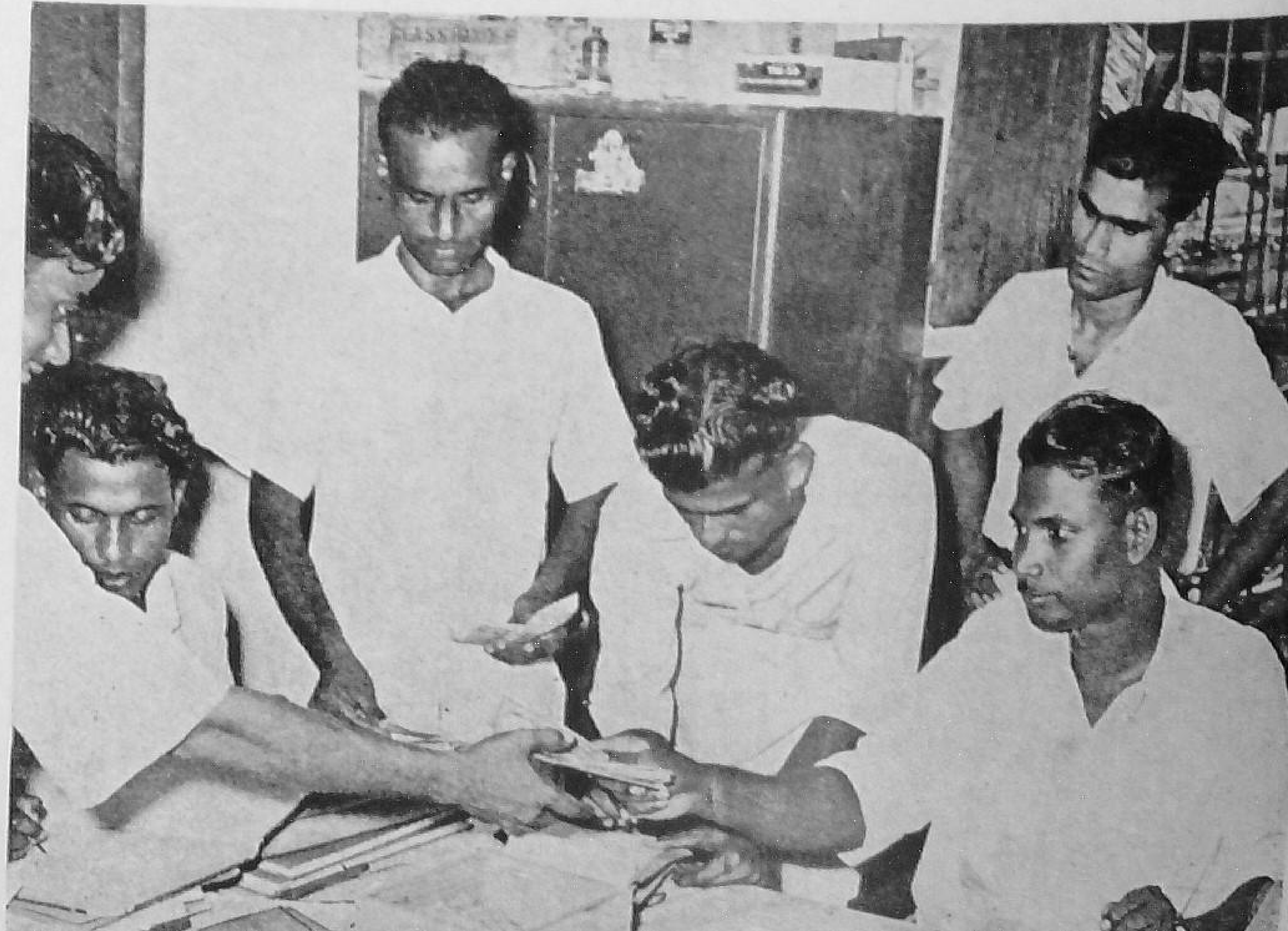
About 9,700 Grain *Golas* or Grain Banks have been set up in certain parts of the country which give advances against grain deposits to help farmers sell their produce at favourable prices. The Grain Banks also give loans in kind and provide other essential services.

Opp. Page : Fertiliser being loaded at one of the Grain Banks.

A view of the distribution section of the Chakadana Agricultural Co-operative Service Society Ltd. (Punjab).



A member taking a cash loan from the Co-operative Grain Gola at Balugaon (Orissa).



Urban co-operative banks help the middle class population, including employees and small business-men, by providing them credit and banking facilities. On June 30, 1959, there were altogether 11,000 such banks and societies with a membership of 4 million. The picture shows the counter of the Port Commissioner's Employees' Society Ltd., Calcutta, one of the biggest urban societies in the country.

Long-term credit needs of agriculturists are provided by primary and Central Land Mortgage Banks. The Central Land Mortgage Banks operate at the State level, while the primary banks function at or below the district level and are affiliated to the Central Land Mortgage Banks. There are 16 central and 363 primary land mortgage banks in the country which had advanced Rs. 225 million as long-term credits by the end of 1958-59. The main source of finance for the land mortgage banks is the issue of debentures. Seen *here* is the Mysore State Co-operative Land Mortgage Bank, one of the 16 Central Land Mortgage Banks in the country.

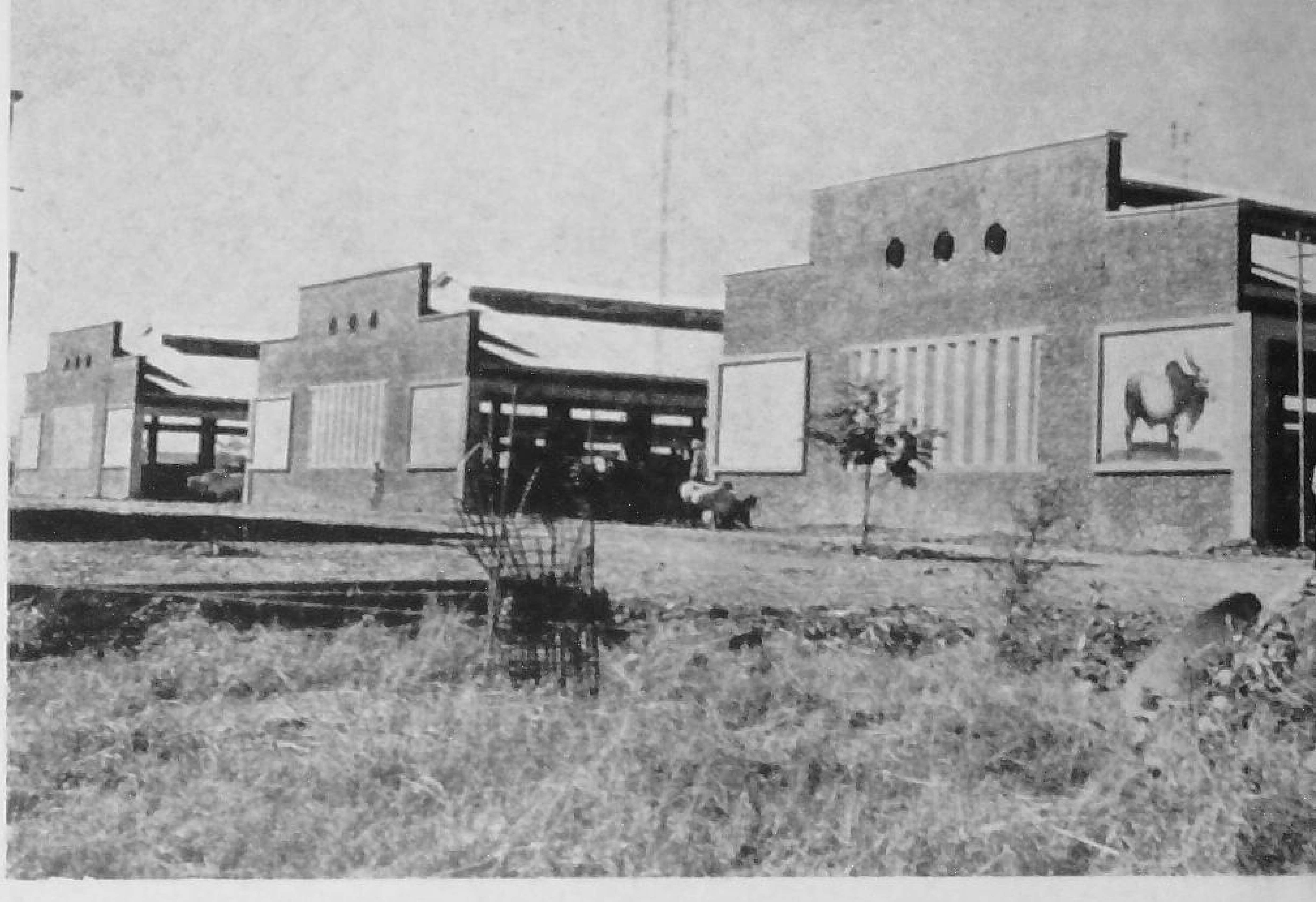
MARKETING AND PROCESSING SOCIETIES

To help farmers purchase their requisites and market their produce profitably, the programme of organizing new co-operative marketing and processing societies is being accelerated as part of the integrated scheme for the development of co-operatives in the country. Shown *here* is the Sales Section of the Ryots Agricultural Produce Co-operative Marketing Society at Mandya (Mysore State). The Society runs a rice and an oil mill.

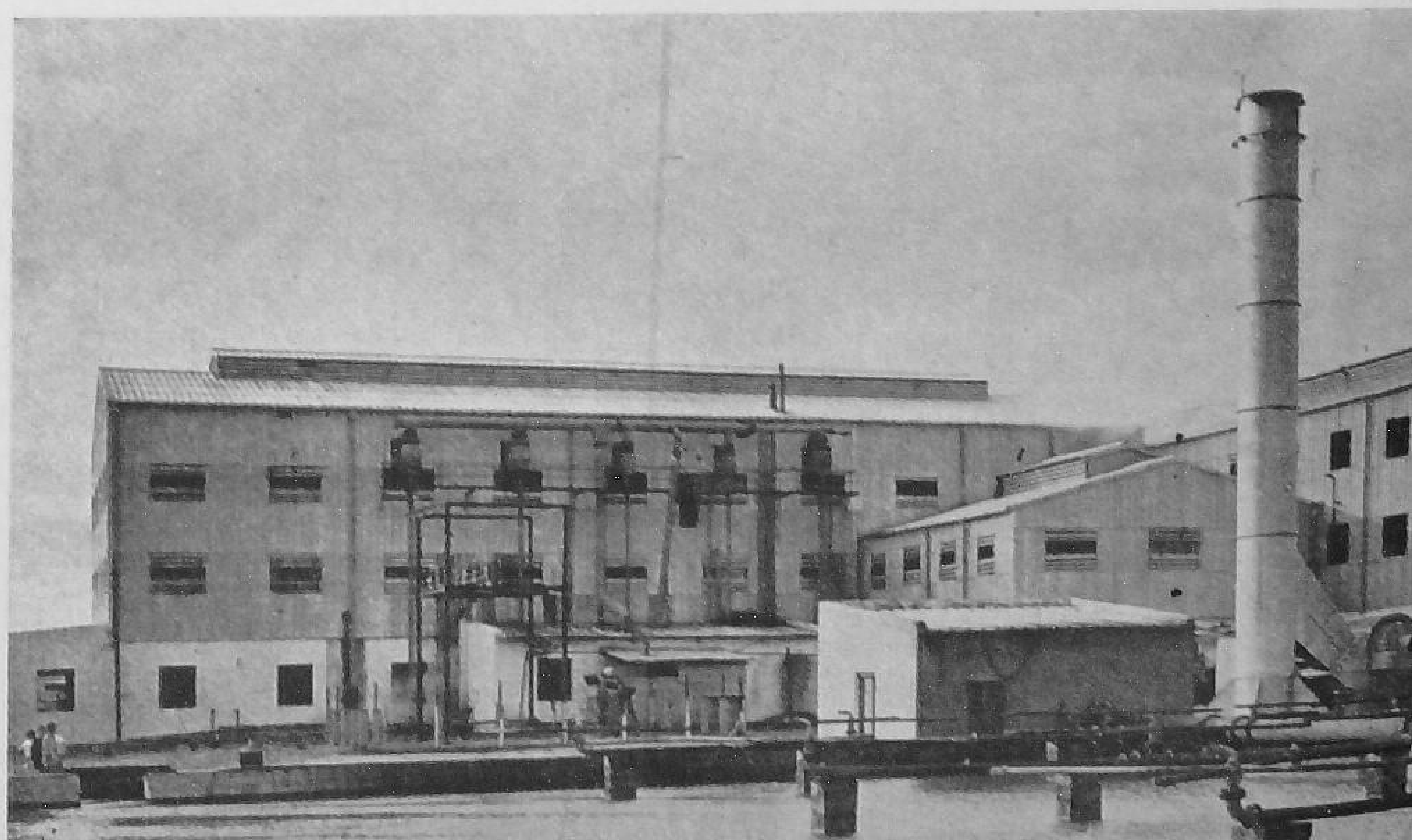
The Gadag Co-operative Cotton Sale Society in Mysore is an important co-operative cotton marketing institution in the country which handles nearly half the cotton sold in the local market. The Society also acts as a wholesale distributor of fertilisers, sugar, iron and steel and improved cotton seeds.

●

In co-operative processing, the most significant achievement so far has been in sugarcane. The State is giving preference to co-operative sugar factories in respect of new licensing and Central loans are given to State Governments to enable them to contribute to the share capital of co-operative sugar factories. Co-operative processing is also spreading to other fields such as cotton. The picture gives a view of the Pandavpura Co-operative Sugar Factory, Mandya in Mysore State.



Godown and storage facilities are essential for the work of marketing societies. Shown *above* are some godowns of the Shetkari Sahakari Sangh Ltd., Kolhapur.



The Malnad Areca Marketing Co-operative Society Ltd., Shimoga (Mysore) undertakes the marketing of nearly a fourth of the total areca in the local market. The Society advances loans on the security of areca to its members. Seen *above* are women workers employed by the Society to sort out various qualities of areca nuts.

Katha, obtained from Khair-wood, is used in leather tanning and *pan* (betel) chewing. The picture shows Khair-wood being cut into pieces for ultimate processing into *Katha* by the Adarsha Katha Multipurpose Society, Ltd., Beohari (Madhya Pradesh).

Katha, in the finished form, being weighed out.

Cold storage facilities for perishable products like vegetables, fruits and fish have been provided at several places on co-operative basis, which has resulted in an appreciable reduction in the rents charged for such facilities by private owners. Shown *above* is the Jullundur Co-operative Cold Store in Punjab.

The Bassein Arnala Banana Processing Co-operative Society Ltd., located near Bombay, has installed modern plants for dehydrating bananas.

Potatoes being sorted out before storing at the Jullunder Co-operati Cold Store, (Punjab).

FARMING AND IRRIGATION SOCIETIES

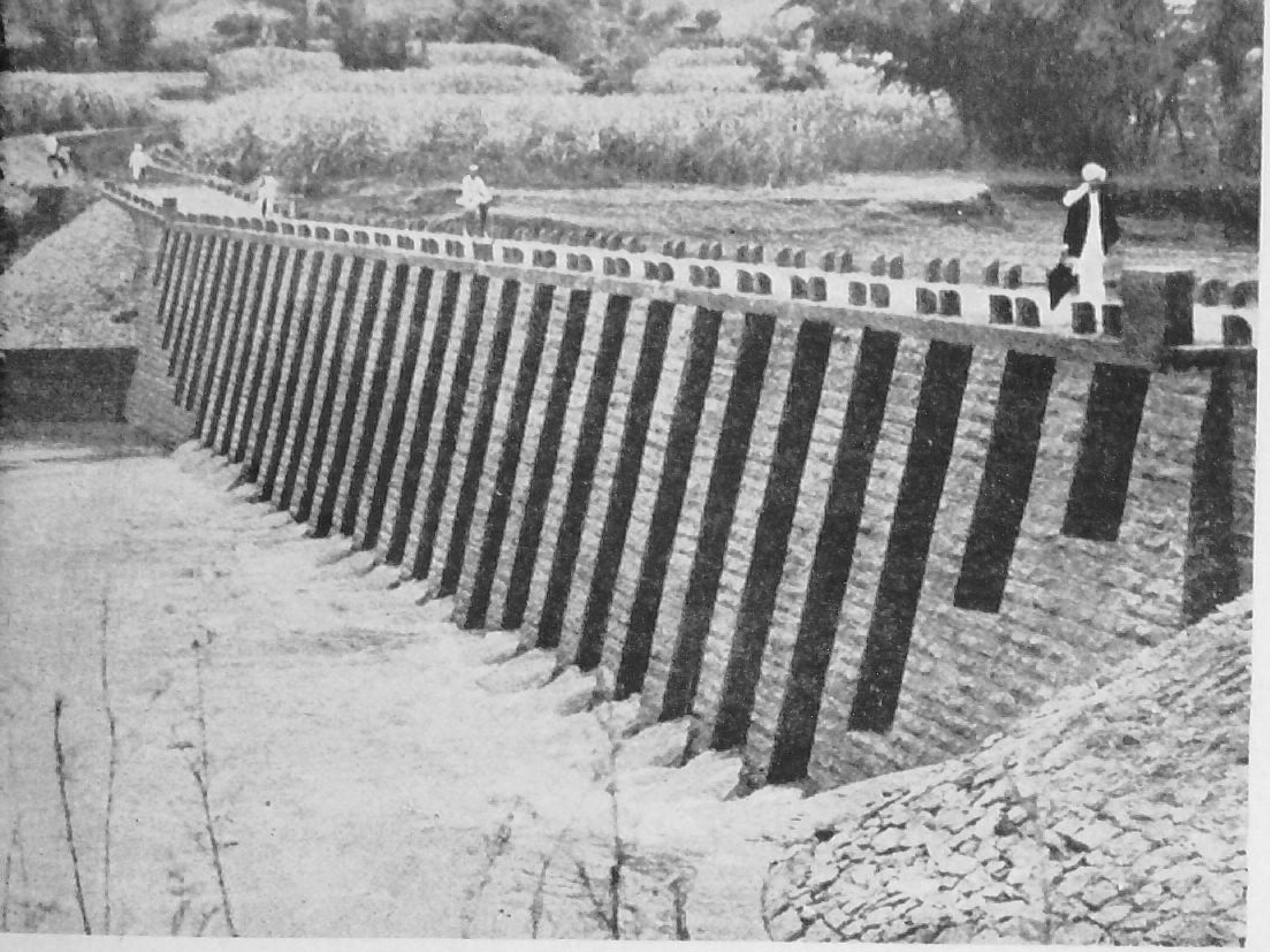
In India land holdings are mostly small and fragmented, and farmers generally lack the necessary resources to improve and increase production. The State is, therefore, encouraging co-operative farming as a solution of some of their problems. About 1,800 co-operative farming societies have so far been organized, where land is cultivated and managed jointly by the members. The picture shows one of the founder members signing the registration proposal of the Makhmelpur Co-operative Farming Society near Narela (Delhi). The successful working of the Society soon attracted more members.

Co-operative farming is profitable to its members. This has been the experience of 226 members (with average individual holdings of less than an acre) of the Mahisagar Bhata Co-operative Farming Society, Kaira District (Gujarat State) which has doubled its income in six years. The Society achieved this success without any assistance from the Government or the district co-operative bank.

Family members working in the fields.

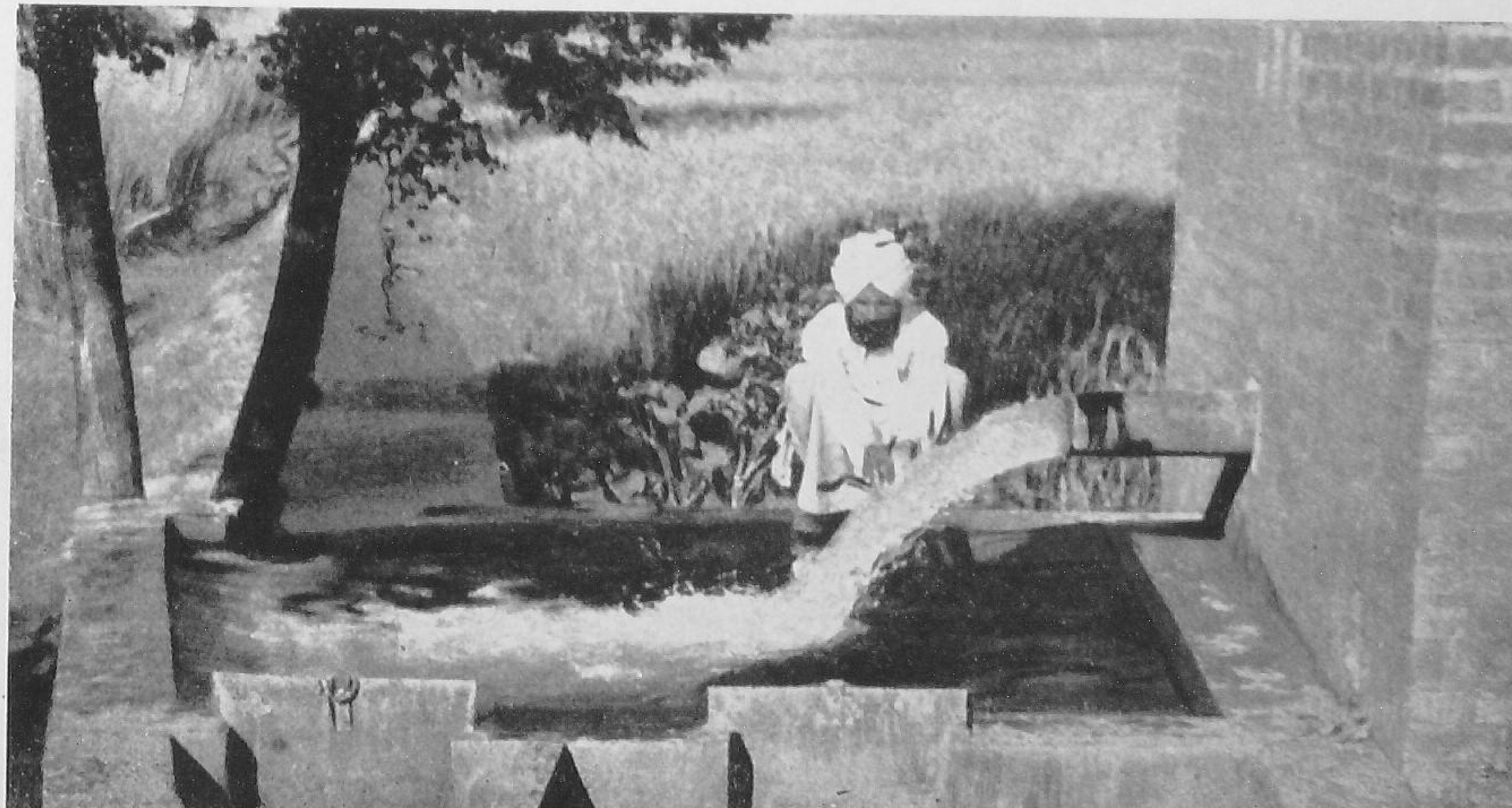
Opp. Page: Members of the Society at work.

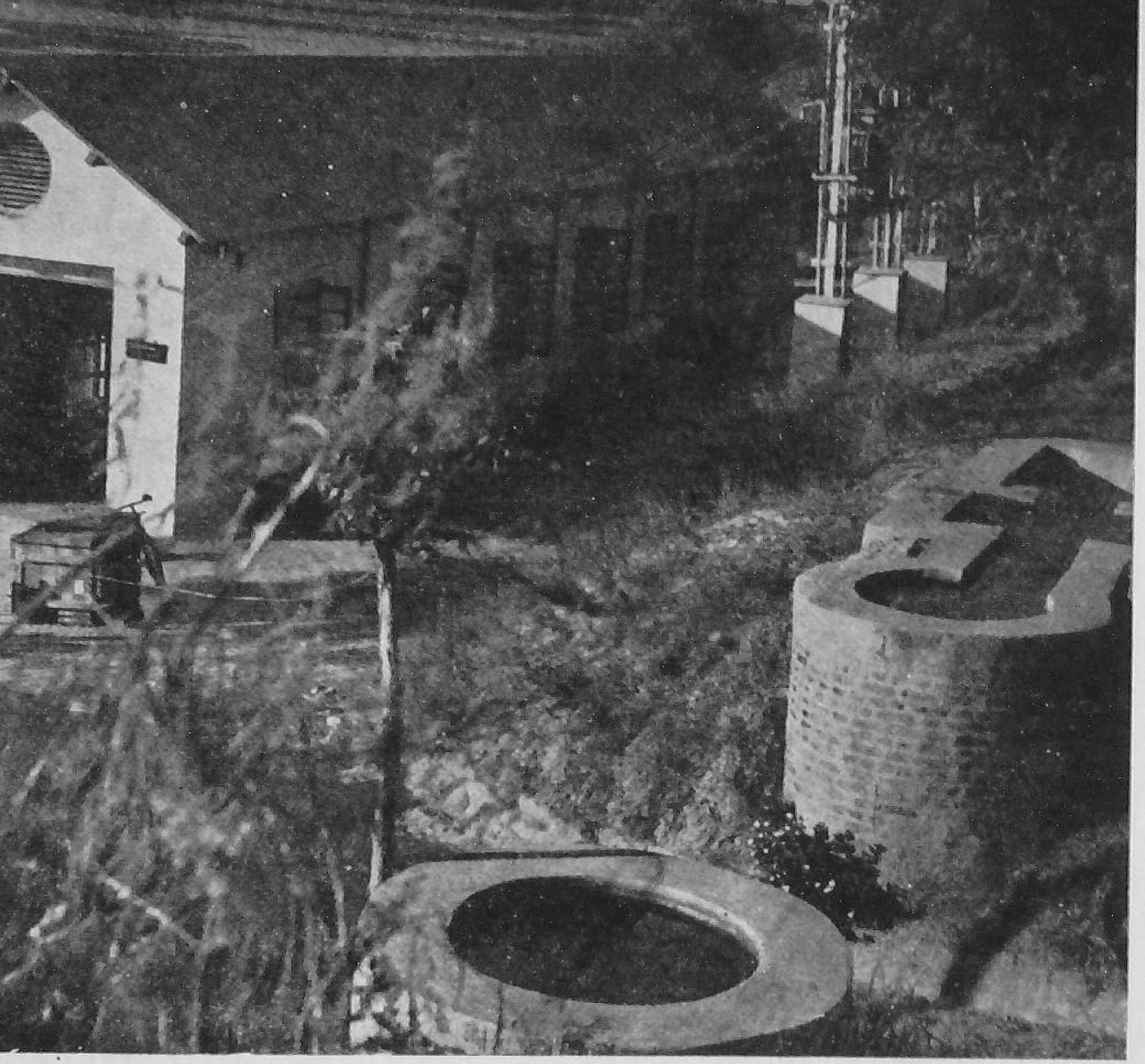
The picture shows members of the Mahisagar Bhata Society irrigating a field.



To provide irrigation facilities, a number of large and medium irrigation projects are being implemented. At the same time, smaller projects have been taken up in many places by the people themselves on co-operative lines. Shown *here* is a view of the dam constructed by Kumbhi Dhamani River Co-operative Dam Construction Society Ltd., Kalesawarde (near Kolhapur) across the river Kumbhi Dhamani. Built at a cost of about Rs. 250,000, the project irrigates about 1,000 acres of land.

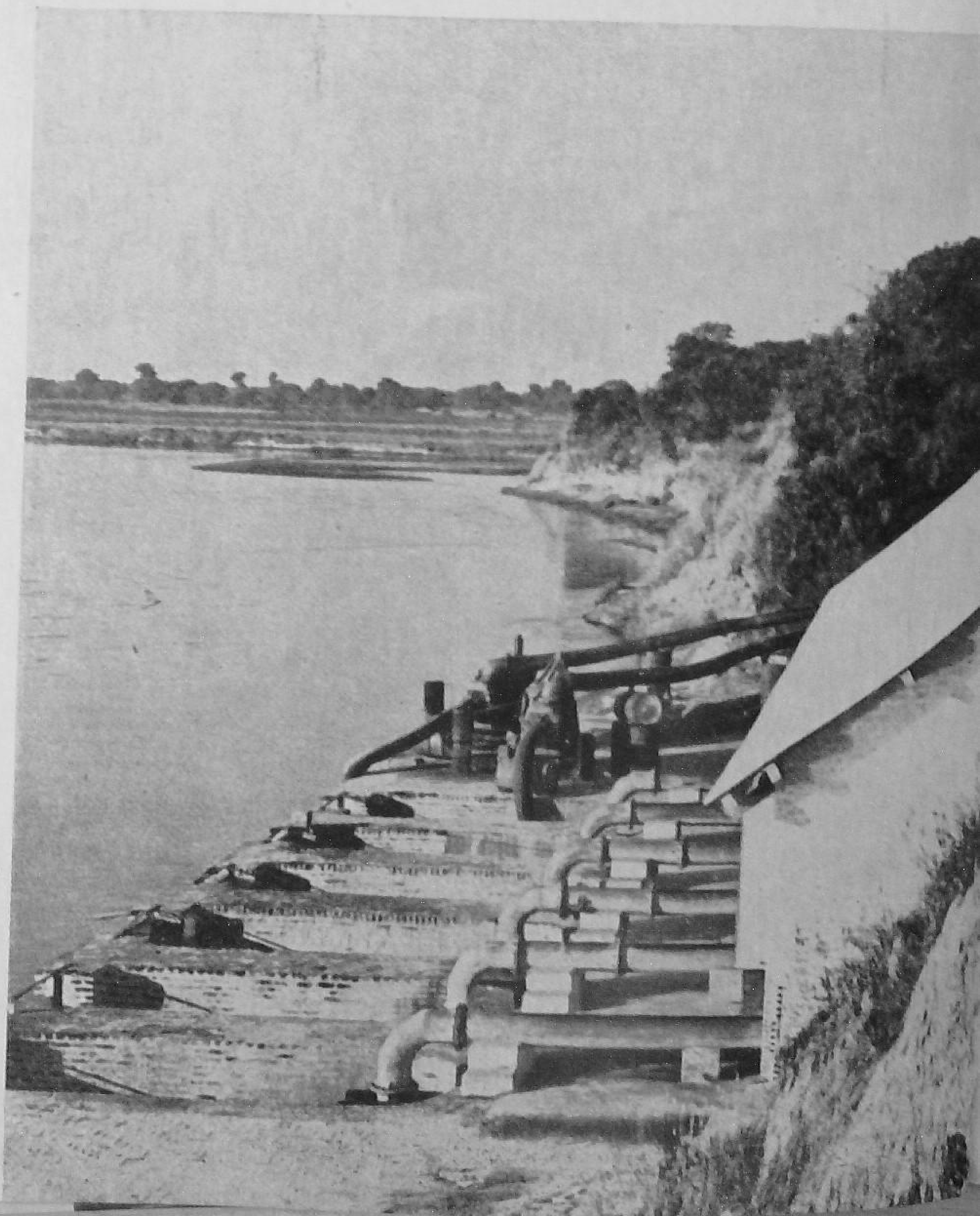
The Verka Hundle Co-operative Tubewells and Irrigation Society Ltd., (Punjab) has installed 6 tubewell pumping sets. The Society has been irrigating 307 acres of land. *Right*: A view of the Society's tubewell and the fertile farm irrigated by it.





The Miroli Co-operative Lift Irrigation Society Ltd. (near Ahmedabad) has installed 10 engines of 50 B. H. P. each on the Sabarmati river which irrigate 1,150 acres of land.

Another view of the irrigation project of the Miroli Co-operative Lift Irrigation Society Ltd.



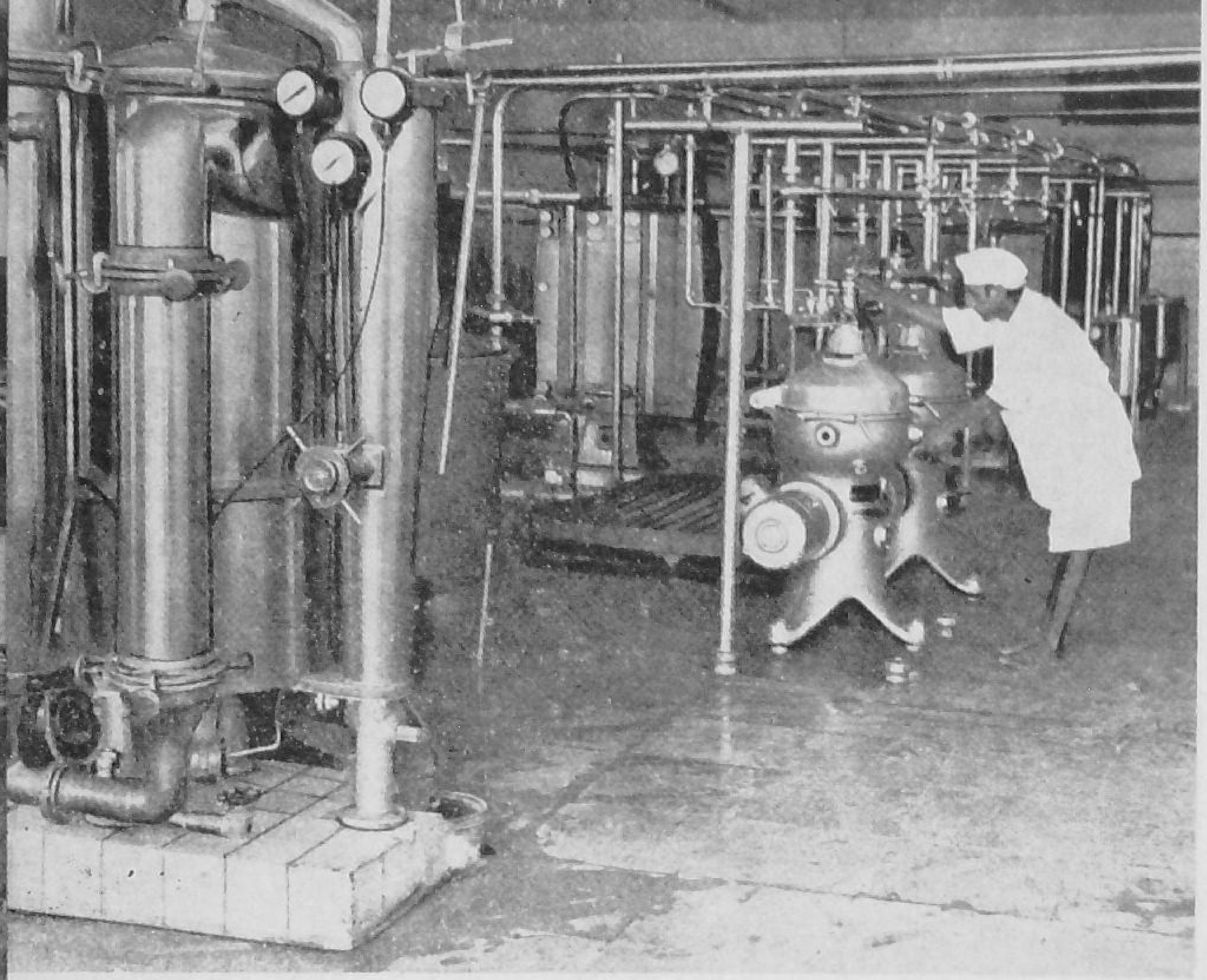
DAIRY

AND

FISHERY

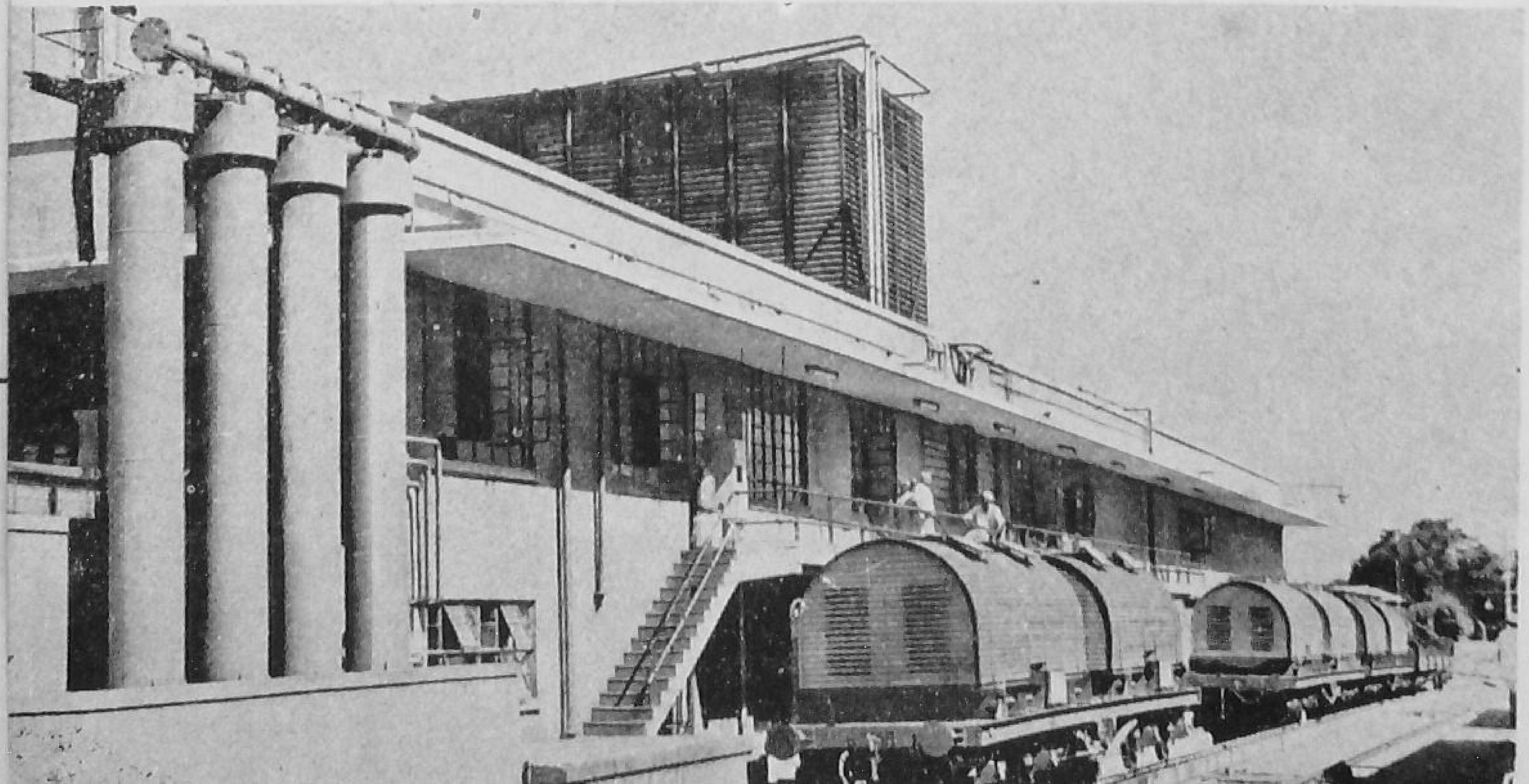
SOCIETIES

In recent years, about 2,000 co-operative milk unions and milk supply societies have been set up in different parts of India. The Kaira District Co-operative Milk Producers Union Ltd., Anand (near Ahmedabad), which made a humble start in 1946, has grown into a very large industrial estate. Its 190 affiliated societies collect milk from villages which is processed by modern methods. In 1958-59, the Union handled over 600 million pounds of milk.



A section of the Kaira District Co-operative Milk Producers Union Ltd., Anand.

The Kaira Union manufactures high quality butter, milk powder, condensed milk and cassein which are marketed throughout the country. The Union's products have replaced imports and helped in saving foreign exchange amounting to about Rs. 10 millions annually.



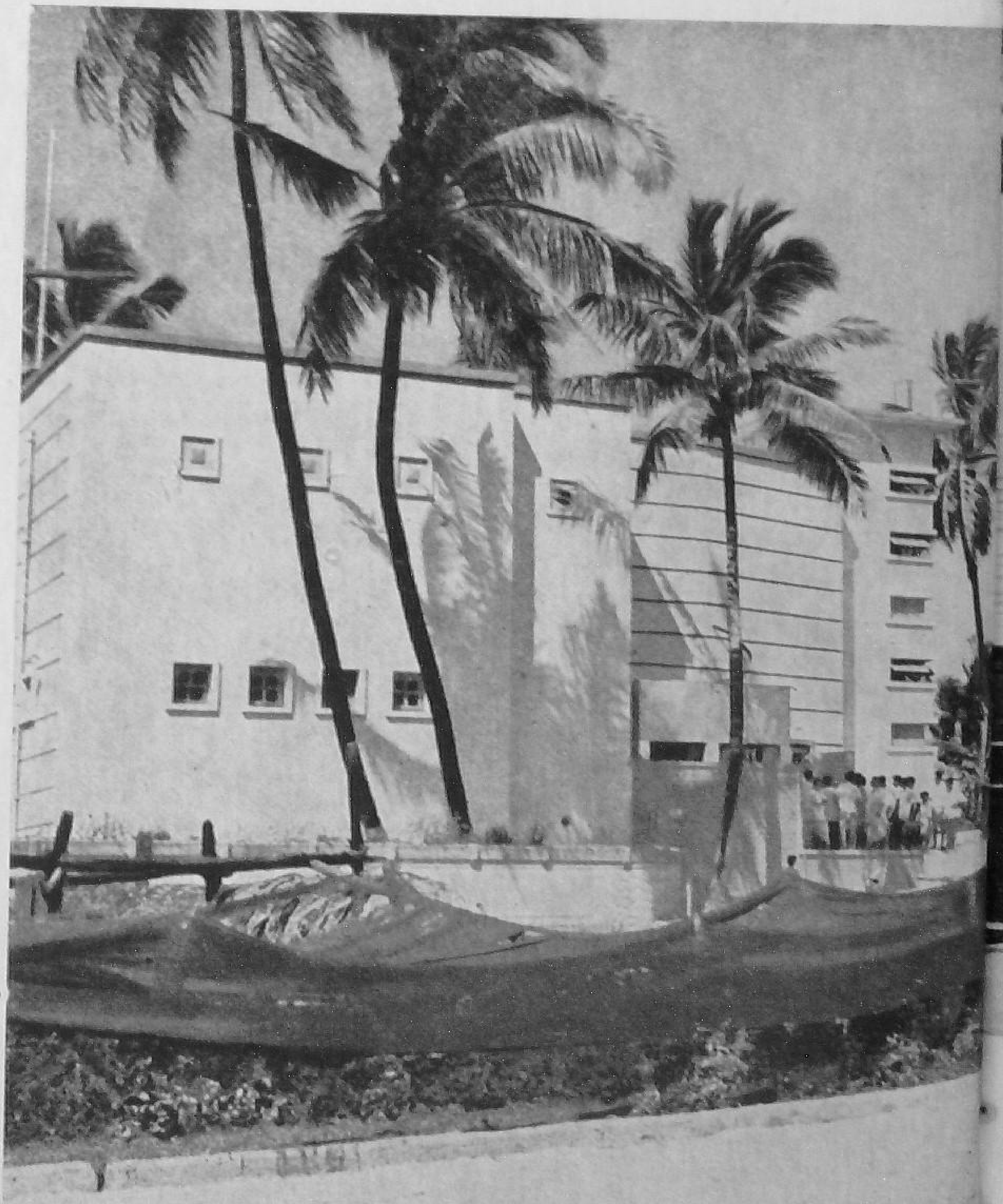
Pasteurized milk is sent to Bombay twice a day in insulated wagons.

India, with a coastline of over 3,500 miles, has vast fishery resources, but the fishing industry is still underdeveloped. Indian fishermen are poor and cannot afford mechanized equipment. They also lack storage and marketing facilities. To overcome these difficulties fishermen are organizing themselves into co-operatives. Among these is the Vesawa Fishermen's Co-operative Multipurpose Society Ltd. (near Bombay) which provides mechanized fishing craft and other equipment at reasonable prices. It also provides transport and storage facilities. *Right* : Fish being dried.

The Madras Co-operative Milk Supply Union has set up model sheds in villages where members of the village societies bring animals to a common milking yard. It has 151 feeder societies and the daily collection of milk yield exceeds 32,000 lbs. The Union maintains pasteurization plant and runs a milk bar.

Fishing boats of the Vesawa Fishermen's Co-operative Multipurpose Society Ltd.

The cold store of the Society.



The Sakthikulangara South Fishing Producers' Co-operative Society (Kerala State) and four others have been included in a special scheme for the development of fisheries. Members of the societies are selected and given training in mechanized boat-fishing. Mechanized boats, nets and other fishing requisites are supplied to individual fishermen and to groups of fishermen.

The daily catch by the members of the Sakthikulangara South Fishing Producers Co-operative Society are auctioned by the Society and deductions made for redemption of debts or saving schemes. The society has also formed a co-operative sales organization for the marketing of fish.

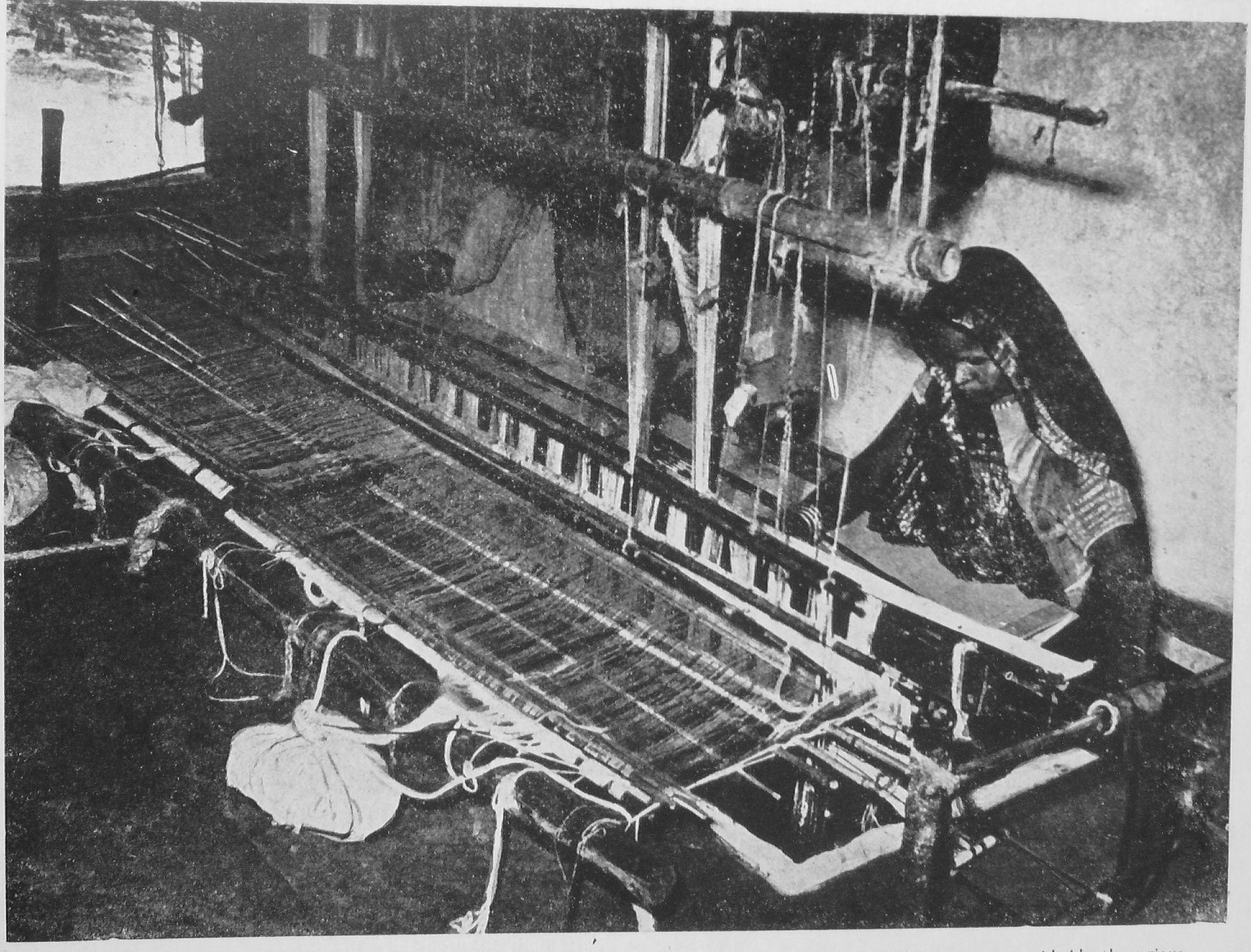
The Ambika Co-operative Fishing Society (Chilka Lake—Orissa)— packing of fish for export.

INDUSTRIAL CO-OPERATIVES

Industrial co-operatives form the next important group after agricultural credit societies. The programme of organizing rural cottage and small-scale industries on co-operative lines is being vigorously pursued. Financial and technical assistance is provided by a number of institutions, such as, the All India Khadi and Village Industries Commission, the All India Handicrafts Board, the All India Handloom Board and the Coir Board. Of the 25,000 co-operatives organized so far, about 10,000 are weavers' societies. *Above*: The South-India Co-operatives Spinning Mill at Tirunelveli in Madras State with an installed capacity of 16,000 spindles. Its annual production is 7,200 bales of yarn. The yarn produced is sold to the constituent apex co-operative, which allocates the supply to primary weavers' co-operatives.

The products of the Calico Printers Co-operative Society Ltd., Sanganer in Rajasthan are popular all over the country.

The Madras State Handloom Weavers Co-operative Society Ltd., co-ordinates and promotes the activities of its 985 constituent primary weavers co-operatives, and supplies them yarn and other requisites. The Society runs 4 modern dye factories, a co-operative spinning mill, a modern yarn and cloth processing centre, and a network of marketing units.



The handloom industry provides work to large sections of the population in the country. As a result of the assistance provided by the various all-India boards, about 10,000 co-operatives have been set up in this field.

Alleppey Coir Mats and Matting Co-operative Society in Kerala State, the first co-operative venture of its kind, has set up 110 looms. Its finished products which include coir mats, coir matting, coir carpets, etc. find a good market in the country and abroad.

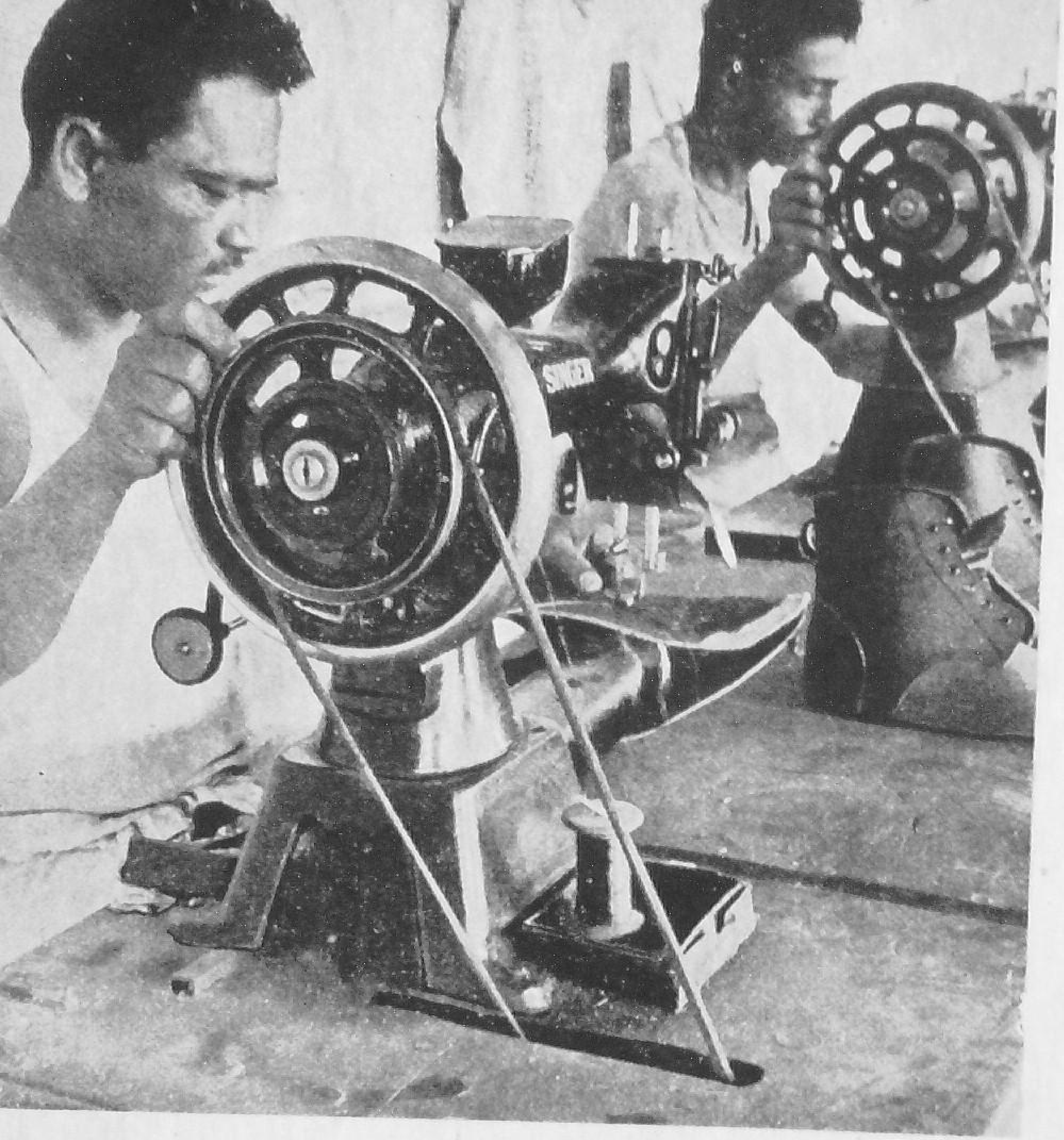
World famous wood work of Kashmir. Workers are now forming co-operatives, which help them to eliminate the middlemen's profit in the purchase of raw material and in the marketing of their products.

The Women's Co-operative Industrial Home at Kamarhatti near Calcutta provides vocational training to displaced persons from East Pakistan. It has 8 technical sections and a school attached to it. Products of high artistic value, which find a ready market, are produced here. *Left*: Some of the articles on display. *Right*: Women engaged in embroidery work.

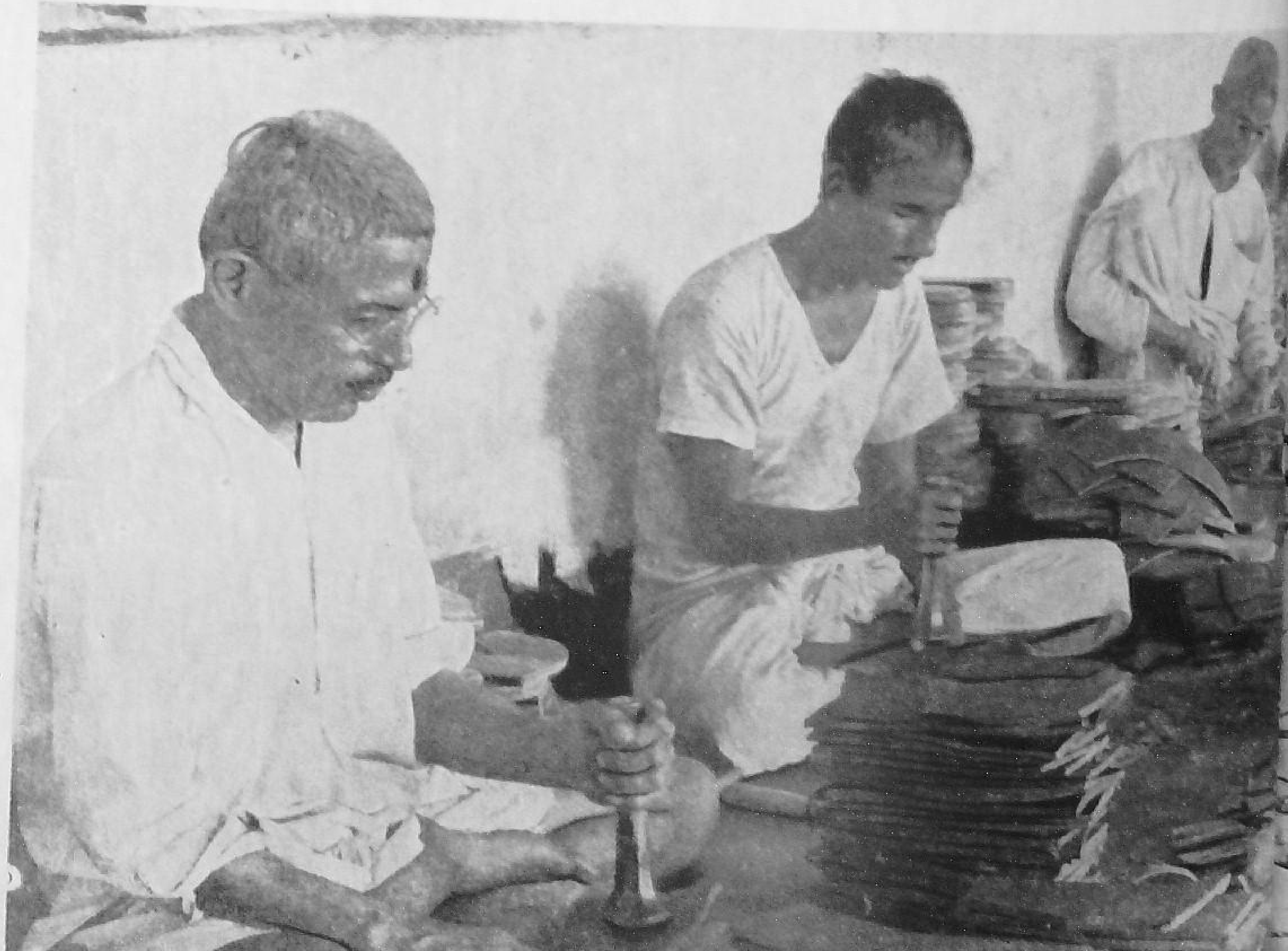
Women workers at the Kamarhatti Home working a hand-operated loom.

The textile printing section of the Home.

Artistic pottery work is an important activity in the Kamarhatti Home. These two pictures show women painting designs and motifs on pottery.



The Poona Leather Workers Co-operative Society Ltd., executes large government orders, besides manufacturing civilian leather wares. It provides employment to 76 worker members.



Workers of the Leather Co-operative Society preparing soles.

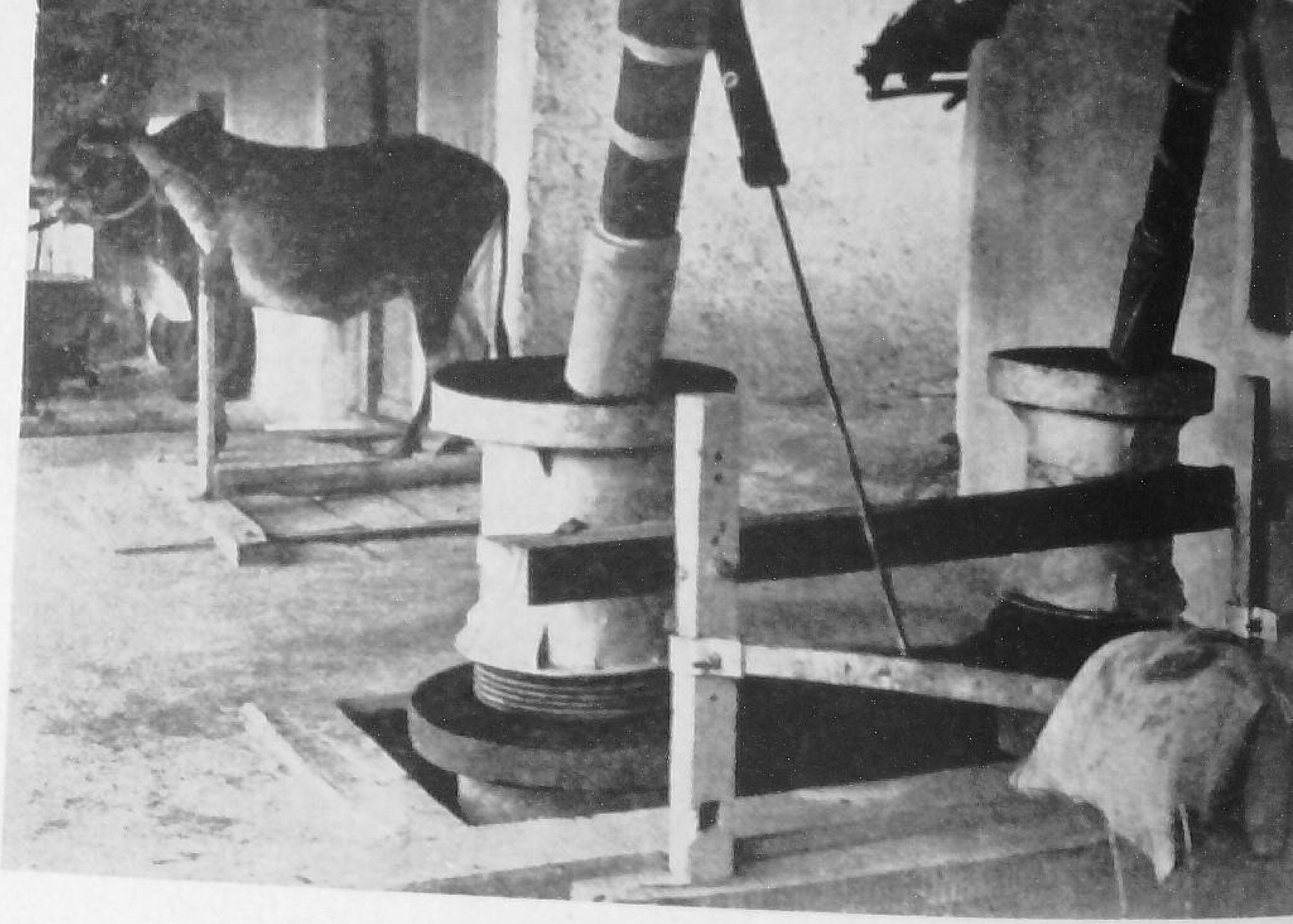
The Government also provides training to members of the co-operatives in leather and other crafts. Seen *here* is the leather-craft section at one of the Government village industries training centre.

The Samaj Kalyan Yantra-Kamagar Mahila Sahakari Karkhana, Poona, whose entire working force consists of women, manufactures ball-bearings of various types.

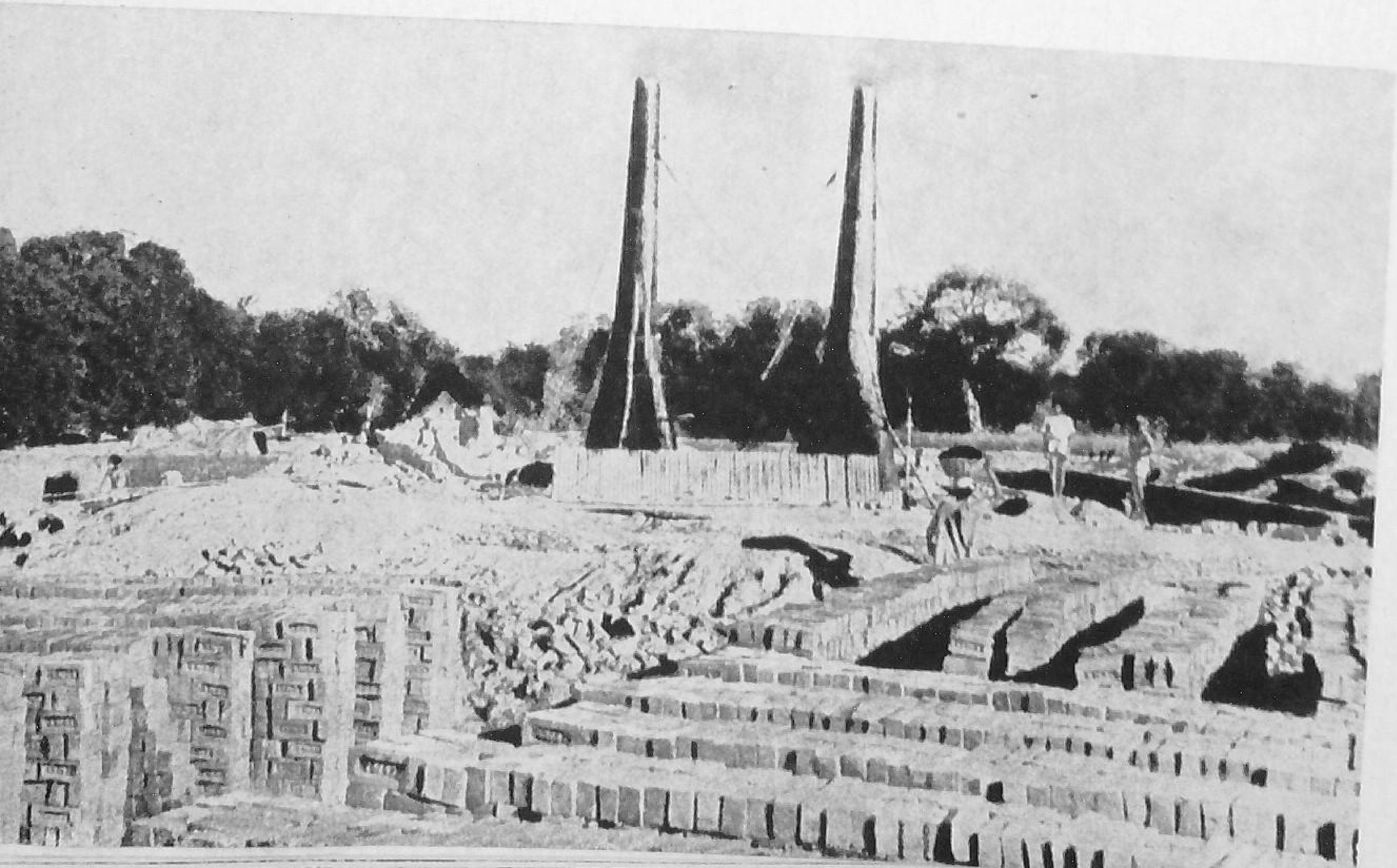
Managed by women workers, Nava Widhan Co-operative Industrial Society Ltd., at Poona, manufactures transformers and fluorescent chokes. The products of the Society are known for their quality.

Agricultural implements manufactured by the District Co-operative Federation, Meerut (Uttar Pradesh). The Society also makes pumping sets and metric weights.

Training at an Ambar Charkha centre.



Kamdhenu, an improved oil crusher. Invented by experts of the Khadi and Village Industries Commission, two of these machines can be plied by a single bullock. Improved types of oil *ghanis* are being supplied at concessional rates to co-operatives and artisans.



Left Top : Sugarcane juice being boiled for preparing *gur*.

A co-operative kiln in a Community Development Block in Uttar Pradesh.

OTHER

TYPES

Co-operation is extending beyond agriculture and small industries to other spheres such as consumers' stores, housing and construction, labour contract, transport and rickshaw pullers' and printing and writers' societies. At the end of 1959, there were 20,000 co-operative societies of such types. Seen *here* is the department store of the Jamshedpur Co-operative Stores in the Steel City of Jamshedpur in Bihar. The Society runs a flour mill and provides a home-delivery service. Altogether, there are 7,000 consumers' co-operative stores in the country.

A panoramic view of the township, with a population of 50,000, built by the Barrackpore Co-operative Home. This co-operative organization was set up by displaced persons from East Pakistan.

A view of the Triplicane Urban Co-operative Society building at Madras. Started in 1904 with the efforts of 14 pioneers, the Society has now a membership of 40,000. It owns an oil mill and has one depot and 62 branches in Madras City and suburbs.

The sales section of the Society.

A view of the houses built by the Madhuvan Co-operative Housing Society Ltd., Ahmedabad.

A ward of the maternity hospital of the Barrackpore Co-operative Home. The Home also runs a general hospital, a degree college and 6 primary and basic schools.

The Coimbatore Co-operative Printing Press, known as "Copress", was formed with the object of printing and selling books and forms required by co-operative institutions at reasonable prices. Started with a membership of 50 in the premises of the District Urban Bank, the Society has now a high place in the printing and binding trade. Its membership of 740 includes 549 societies, 175 individuals and 16 companies.

The picture shows labourer-members of the Chanian Co-operative Labour and Construction Society Ltd., Chak Kalan, at work. The Society was registered in 1953 and has 94 members on its roll. It has so far executed several works, including the construction of earthen bunds, roads and canals. Altogether, there are more than 1,000 labour contract societies in the country. These secure contracts from State Governments or municipalities on a priority basis.

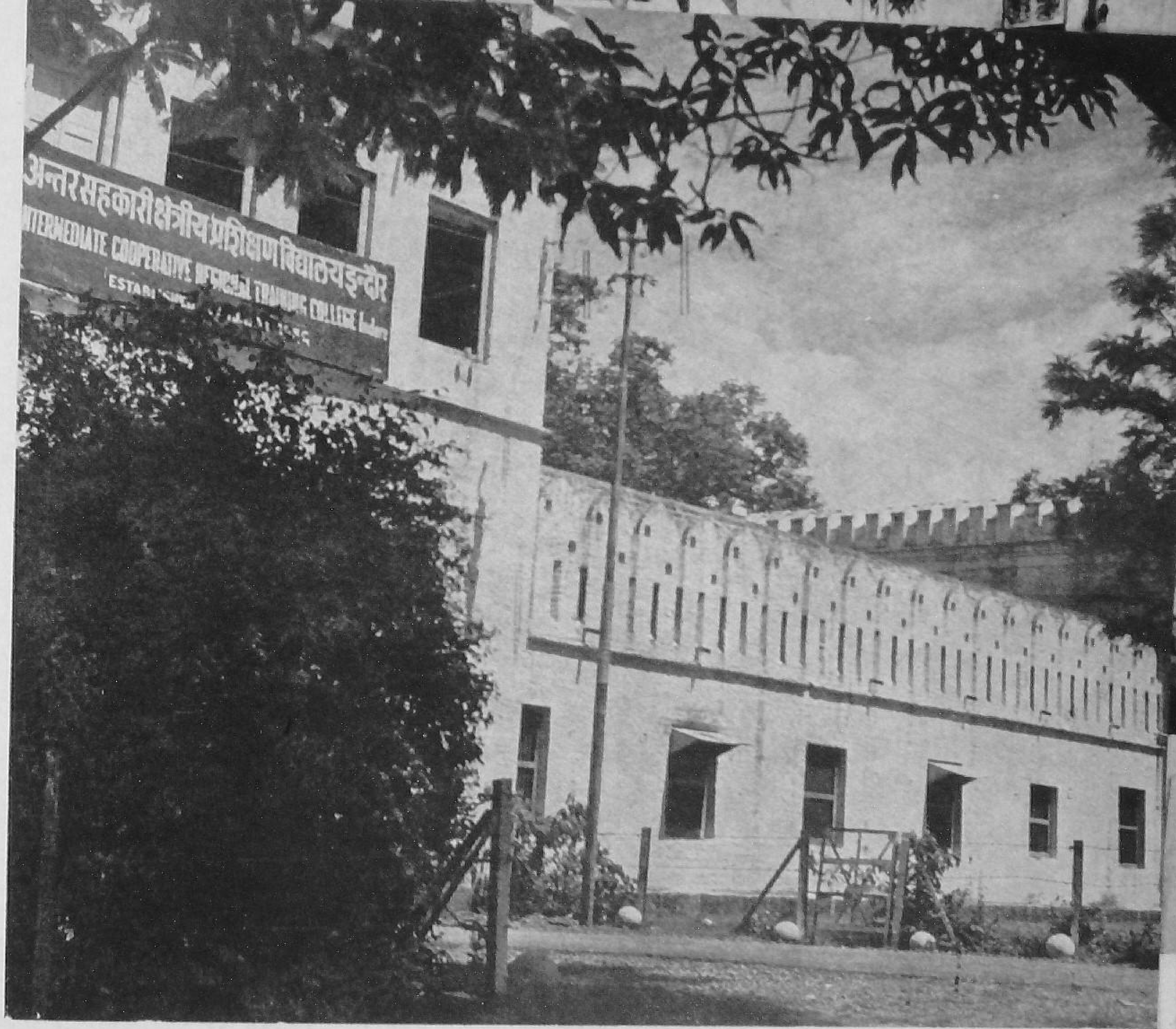
The Sahitya Pravartak Co-operative Society Ltd., Kottayam in Kerala State, is a unique type of co-operative in the country. Its membership is confined to poets, writers and novelists in the State. Started 15 years ago by 12 writers, its membership has risen to 375. The Society has published more than 1,000 books. The member-authors get a royalty of 30 per cent, claimed to be a very high rate in the trade.

The Pustakalaya Sahayak Sahakari Mandal Ltd., at Baroda, is another novel co-operative in the country. Established in 1924, the Society plays an important role in the library movement in Gujarat State by purchasing books, newspapers and periodicals at wholesale rates and supplying them to member-libraries at fair prices. It has also published 71 books on its own.

TRAINING

AND

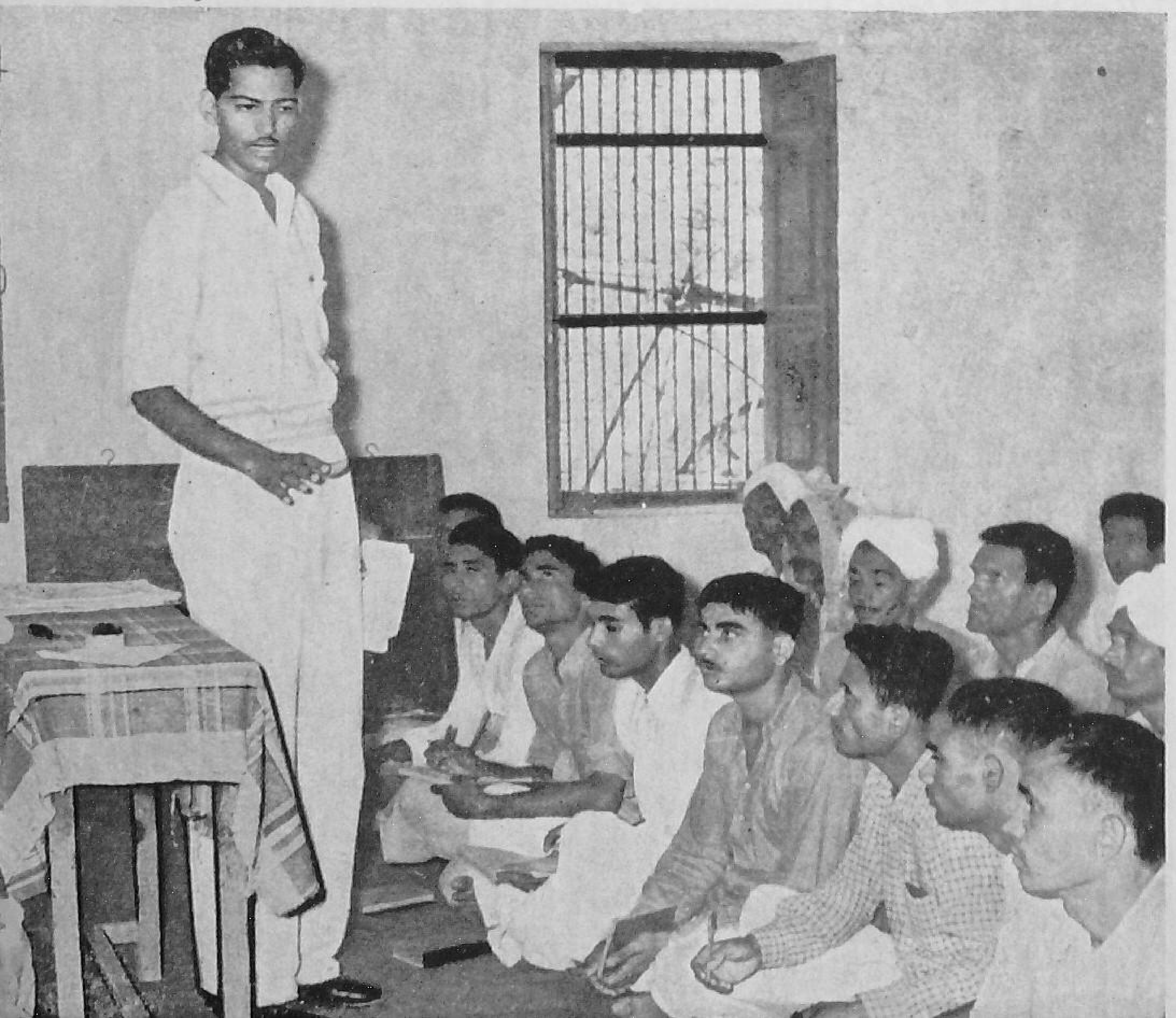
EDUCATION

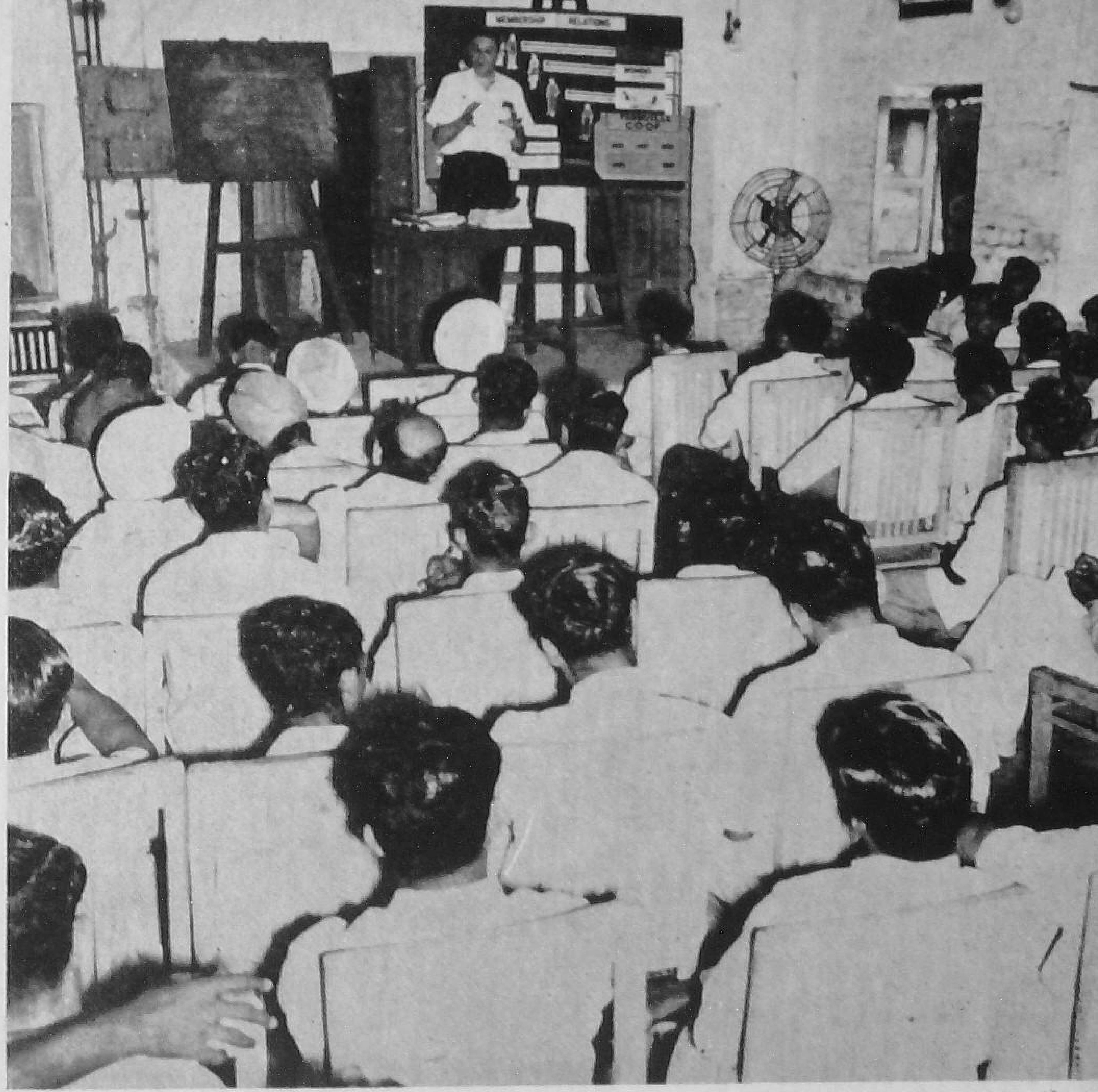


A network of training institutions has been set up in the country to impart education on the philosophy and practice of co-operation to co-operative personnel. Senior officers are trained at the Training College at Poona, while intermediate personnel are trained at 13 regional and other training centres. Junior personnel receive instructions at 60 institutions in the various States. The All-India Co-operative Union and State Co-operative Unions send round trained instructors to give training to non-officials. At present, 325 such units are functioning in the country. About half a million office bearers of co-operative societies have so far been trained. *Above* : The Intermediate Co-operative Regional Training College, Indore.

Opp. Page : A class in progress at the Intermediate Co-operative Regional Training College at Indore.

A District Co-operative Educatiónal Instructor taking a class of co-operative members.





A class on Membership Relations in progress at the Trainers Training Course organized by the All-India Co-operative Union at Chandarnagar, Gurgaon.